



Objectives, Actions & Performance

Factsheet

Coffee



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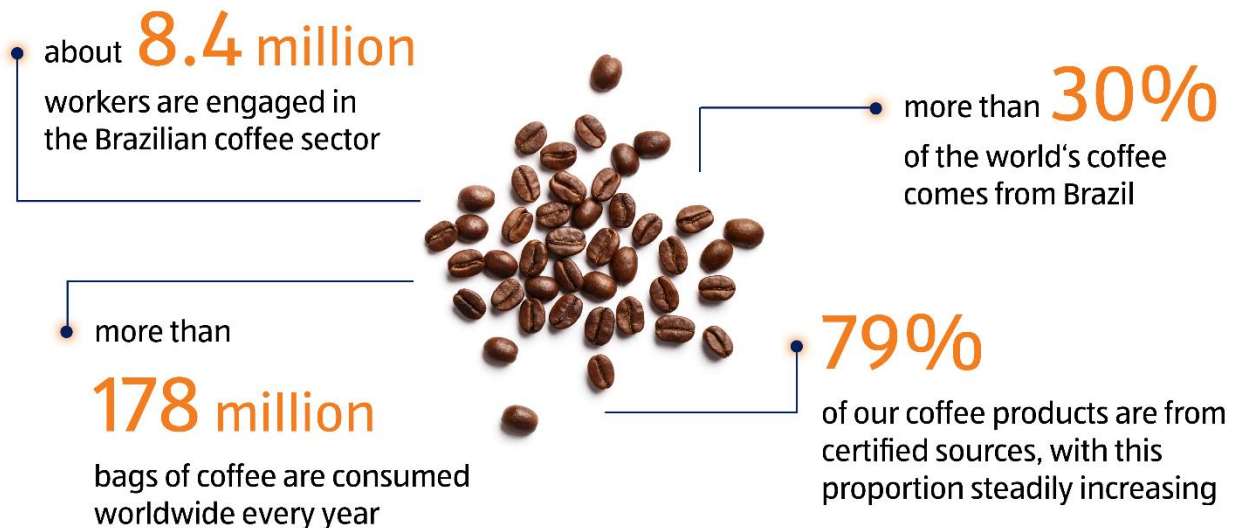


1 INTRODUCTION

Coffee is among the world's most-traded raw materials and is predominantly cultivated by smallholder farmers in sub-tropical regions. Sourcing coffee presents human rights and environmental challenges, including the risk of deforestation. The ALDI SOUTH Group is committed to promoting fair working conditions and environmentally friendly production in coffee cultivation.

One way we are doing this is by sourcing third-party certified products to ensure that producers receive a fair price for their products and that climate change adaption and deforestation are addressed. We also conduct origin visits to key sourcing countries, participate in projects on the ground, and work to improve supply chain transparency through direct sourcing models.

2 FACTS & FIGURES





3 TRANSPARENCY & TRACEABILITY

Ensuring transparency in our supply chain is the foundation of our sustainability measures. We cannot ensure compliance with our requirements, analyse risks, monitor or implement projects without knowledge of the origin of our products. We collaborate with our business partners to increase the transparency of our supply chains so that we can better understand the origin of each product we sell, and the raw materials used.

Coffee Suppliers

In 2021, we began publishing the names and addresses of our direct business partners ([Tier 1 suppliers](#)) for coffee. The latest list includes suppliers used to produce ALDI SOUTH Group products as of January 2023 (excluding Australia-only suppliers). All disclosed suppliers have given their consent for their information to be published.

Download the list as an Excel file [here](#).

4 CERTIFICATION & STANDARDS

Smallholder farmers in coffee-growing regions face multiple challenges, including poverty, commodity price fluctuations and the effects of climate change. By sourcing from suppliers adhering to sustainability standards such as Fairtrade International, Fair Trade USA, Rainforest Alliance, or organic certification, we can assure our customers that we support coffee growing communities, protect biodiversity, and prevent deforestation.



5 SUPPLY CHAIN

5.1 Visits & Assessments

As part of our engagement, we regularly visit and assess production and processing sites together with business partners in our coffee supply chains.

5.2 Human Rights

We are committed to respecting human rights and improving living and working conditions throughout our supply chains.

5.2.1 HUMAN RIGHTS RISK ASSESSMENT

We regularly conduct human rights risk assessments to examine the risks within our food and agriculture supply chains. The purpose of these assessments is to identify any adverse impacts our company may have on human rights, gain insights into our actual impacts, and understand how we may be involved through our own activities or as a result of our business relationships.

We have identified coffee as a raw material with a high risk of adverse impacts on the enjoyment of human rights and consider it most important to the ALDI SOUTH Group.

5.2.2 HUMAN RIGHTS IMPACT ASSESSMENT

We are developing specific measures to prevent or mitigate adverse human rights impacts identified during our risk assessment in coffee supply chains in Brazil in 2021. The ALDI SOUTH Group has committed to conducting comprehensive human rights impact assessments (HRIAs) that follow a stringent methodological approach, which includes extensive background research and engagement with rightsholders. The HRIAs help us identify, understand, and evaluate the potential and actual adverse impacts of our business activities on workers and other affected rightsholders, such as community members, smallholder farmers, and women. So far, we have published the results of three HRIAs in selected high-priority supply chains: avocados from Peru, Brazil nuts from Bolivia, and coffee from Brazil. For more information, please refer to our [Human Rights Impact Assessment Report: Coffee from Brazil](#) and [Ethical Recruitment on Coffee Farms in Brazil](#) resources.

For further details on all our commitments and key standards, please refer to our [Human Rights Factsheet](#).



6 STAKEHOLDER DIALOGUE & CAPACITY BUILDING

We believe the most effective way to safeguard both people and the environment is through collaborative initiatives and partnerships. Therefore, we work closely with our suppliers and participate in a multi-stakeholder initiative, as well as running our own projects on the ground.

6.1 Multi-Stakeholder Initiative: Sustainable Coffee Challenge (SCC)



**SUSTAINABLE
COFFEE
CHALLENGE**

In 2020, the ALDI SOUTH Group joined the [Sustainable Coffee Challenge \(SCC\)](#). Within this initiative, we work with other retailers, traders, governments, NGOs, and research institutions to improve living and working conditions in the global coffee sector.

6.2 Direct Sourcing

6.2.1 PROJECT ON THE GROUND: FAIRTRADE COFFEE PROJECT

The direct sourcing approach originated from a project implemented by Fairtrade in Honduras and funded by the ALDI SOUTH Group (2016-2022).



The project achieved the following: improved the income situation of smallholder farmers, increased sustainable coffee production, and promoted the participation of women, young people, children, and the indigenous population in Honduras.

This was accomplished by implementing climate change adaptation practices, raising awareness about glyphosate application, producing organic fertilisers, and empowering women through leadership roles and education in sustainable agriculture. It also strengthened organisations through policies and training, while diversifying income.

Beneficiaries:	2016 - 2019	2020 - 2022
Organisations and producer members of small- to medium-sized cooperatives	22	16
Direct participants (smallholders and workers)	4,540	2,368
Indirect beneficiaries (e.g. family members)	18,160	11,669
Female smallholders	22%	24%
Male smallholders	78%	76%



6.2.2 DIRECT SOURCING APPROACH

Following the Fairtrade project, ALDI SOUTH Group's coffee roaster established direct sourcing relationships with cooperatives in Honduras. This connection enables the ALDI SOUTH Group to have a positive impact in some of its most important coffee sourcing regions.

Direct sourcing coffee refers to raw (green) coffee that ALDI SOUTH Group's coffee roaster negotiates, purchases, and imports directly from the country of origin. This means that there are no third parties or middlemen involved, and the transfer of ownership occurs, at the latest, at the port of shipment.

It should not be confused with coffee sourced directly from the producer. In most cases (90%), this coffee comes from smallholders who do not produce enough coffee to export directly. Instead, they export through associations, groups, or cooperatives that trade on their behalf.

Direct sourcing simplifies a complex value chain, bringing producers and final consumers closer together, and increasing the transparency of coffee supply chains. Direct sourcing relationships are built on trust and are designed to offer both parties long-term security.

6.2.3 ALDI COFFEE PRODUCTS

Selected ALDI SOUTH Group coffee products are Fairtrade-certified, directly sourced, and carry a Fairtrade Premium. This premium is paid to cooperatives for each Fairtrade product helping to address the challenges in coffee production and ensuring the long-term sustainability of smallholder coffee production in Honduras. These efforts will make farmers more resilient and prosperous, making sure that the daily cup of coffee bought at ALDI remains sustainable for everyone.

Here are some of the partner cooperatives in Honduras that we source from, and the results of their participation in the Fairtrade coffee project:

Cafés Finos Corquín (CAFICO)	
Location: Corquin, Copán (Honduras)	Key activities of the project: <ul style="list-style-type: none"> • Organisational strengthening • Climate change and agro-ecology • Vegetable gardens • Women group • Emergency aid after hurricanes
Number of members: 135 (108 males, 27 females)	
Start of participation in Fairtrade coffee project: 2019	
Cafés Especiales Corquin (CAFESCOR)	
Location: Jimilile, Corquin, Copán (Honduras)	Key activities of the project <ul style="list-style-type: none"> • Organisational strengthening • Climate change and agro-ecology • Vegetable gardens • Women group
Number of members: 440 (353 males, 87 females)	
Start of participation in Fairtrade coffee project: 2017	



6.3 Projects on the Ground

6.3.1 LIVING INCOME GAP

The ALDI SOUTH Group is partnering with [OFI \(Olam Food Ingredients\)](#) on a four-year project in Honduras to reduce the living income gap by improving market access and coffee quality.

The global coffee supply chain is very complex. Typically, coffee beans are bought and sold by several intermediaries before being exported. Additionally, low yields, fluctuating prices, and the climate crisis can make it even harder for farmers to earn a reliable income.

The new joint project aims to create a transparent and traceable coffee supply chain up to the farm level. It also aims to narrow the living income gap of 1,000 coffee producers in Honduras by helping them increase yields, improve coffee quality, and achieve [Rainforest Alliance](#) certification. Local representatives and farmers receive training through an innovative smartphone app that will enable them to make informed decisions and trade their coffee directly with OFI. Each farmer will receive tailored training, agricultural inputs, and tools over four years to help narrow the living income gap.

Tracking the project’s progress will help us achieve our shared goals and learn how to scale our impact. This will lift farmers out of poverty and create a more promising future for generations to come.

For more information on living income, please refer to our [International Position Statement on Living Wages and Living Incomes](#) which outlines our approach to support a decent standard of living for all people.

Impact Stories

Danyni, Eugenio, and José are three Honduran farmers who shared their project impact stories with ALDI and OFI.



Denyni Amaya

Denyni Amaya is a coffee farmer from the region of Copán, Honduras. She has been growing coffee for over 10 years and has always been passionate about her work. She has always been looking for ways to improve her coffee quality and increase her income. She has always been looking for ways to improve her coffee quality and increase her income.



[Impact Story - Denyni Amaya](#)



Eugenio Nuñez

Eugenio Nuñez is a coffee farmer from the region of Copán, Honduras. He has been growing coffee for over 10 years and has always been passionate about his work. He has always been looking for ways to improve his coffee quality and increase his income. He has always been looking for ways to improve his coffee quality and increase his income.



[Impact Story - Eugenio Nunez](#)



José Velásquez

José Velásquez is a coffee farmer from the region of Copán, Honduras. He has been growing coffee for over 10 years and has always been passionate about his work. He has always been looking for ways to improve his coffee quality and increase his income. He has always been looking for ways to improve his coffee quality and increase his income.



[Impact Story - Jose Velasquez](#)



6.3.2 ETHICAL RECRUITMENT ON COFFEE FARMS IN BRAZIL

Following the development of the [Human Rights Impact Assessment \(HRIA\)](#) Action Plan, the ALDI SOUTH Group partnered with the non-profit civil society organisation Verité on a pilot project titled Promoting Ethical Recruitment in the Coffee Sector of Minas Gerais, Brazil. This project ended in March 2024 and was part of [Verité's](#) Cooperation On Fair, Free, Equitable Employment (COFFEE) project, funded by the US Department of Labor.



After conducting an HRIA on coffee in Brazil in 2021, the ALDI SOUTH Group was able to take immediate action by participating in Verité's project in Brazil. The pilot project aimed to improve the understanding of and response to recruitment and labour risks in the Brazilian coffee industry.

Verité's [COFFEE Project](#) included pilot projects in Mexico, Colombia, and Brazil, as well as the development of an open-source [Socially Sustainable Sourcing Toolkit \(S3T\)](#) and online training modules. These tools promote decent labour conditions and fair recruitment in the coffee sector. ALDI and

its supply chain actors, such as coffee roasters, traders, and farms, will pilot the tools.

Together, we aim to improve the adoption and successful implementation of ethical and sustainable sourcing practices in coffee supply chains. We will promote decent working conditions by strengthening the knowledge and capacity of key actors in the supply chain and support the elimination of child labour and forced labour in the coffee sector.



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